

VZCZCXRO7163  
RR RUEHRG  
DE RUEHRI #0276 2761517  
ZNR UUUUU ZZH  
R 021517Z OCT 08  
FM AMCONSUL RIO DE JANEIRO  
TO RUEHC/SECSTATE WASHDC 4656  
INFO RUEHBR/AMEMBASSY BRASILIA 0987  
RUEHSO/AMCONSUL SAO PAULO 5194  
RUEHRG/AMCONSUL RECIFE 3464  
RUCPDO/USDOC WASHDC  
RHEBAAA/DEPT OF ENERGY WASHDC

UNCLAS RIO DE JANEIRO 000276

SIPDIS

STATE FOR WHA/BSC  
USDOC FOR 4332/ITA/MAC/WH/OLAC/JANDERSEN/ADRISCOLL/MWAR D

E.O. 12958: N/A

TAGS: [EINV](#) [ETRD](#) [EPET](#) [ENRG](#) [BR](#)

SUBJECT: BRAZIL: AMBASSADOR SOBEL PROMOTES COMMERCIAL OPPORTUNITIES  
FOR U.S. FIRMS AT THE RIO OIL AND GAS EXPO

¶1. Summary. On September 17, 2008, U.S. Ambassador to Brazil Clifford Sobel welcomed approximately 80 representatives from U.S. firms to a seminar at the Rio Oil and Gas Expo 2008 to discuss commercial opportunities in the energy sector. The seminar, organized by the U.S. Commercial Service, featured presentations by Petrobras and Brazil's National Petroleum Agency (ANP). End Summary.

¶2. The Rio Oil and Gas Expo, organized by the Brazilian Petroleum Institute (IBP) is one of the largest oil and gas industry events in the world. The event, which takes place every two years in Rio de Janeiro, attracted over 35,000 people this year. As part of his participation in the expo, U.S. Ambassador to Brazil Clifford Sobel hosted a seminar for approximately 80 participants entitled "Commercial Opportunities in Brazil for U.S. Firms."

¶3. The seminar featured speakers from the Brazilian oil company Petrobras on opportunities for U.S. equipment suppliers and service providers to do business with Petrobras. In 2007, Petrobras spent USD 5.2 billion for equipment, chemicals, and parts; USD 23.6 billion for seismic, drilling and transport services; and USD 11.0 billion on platforms and refineries. According to Petrobras Materials Manager Paulo Alonso, U.S. firms can play an important role in supplying critical upstream goods such as production pipeline alloy coatings, turbo compressors, mooring systems, drilling bits, special submarine valves, and steam generators. Alonso also identified critical E&P services such as drilling, workover, undersea interconnection, and support to ROVs which could be provided by U.S. firms.

¶4. Nelson Narciso, a Director at Brazil's National Petroleum Agency - ANP (the national oil regulator) briefed U.S. companies on the upcoming licensing auction for oil and gas rights and potential changes to Brazil's regulatory framework. Brazil will respect existing contracts and maintain a transparent, stable regulatory regime, Narciso said. With regards to roles for U.S. firms, he said that many American companies are already participating in Brazil's bid rounds but that more opportunities exist, especially on-shore. For goods and services, he noted Brazil's rules for local content requirement and advised that partnering with Brazilian firms would be a good strategy for American companies.

¶5. Following the seminar, the Ambassador walked the show floor, where he visited several U.S. exhibitors. We requested information on how the four states represented in the U.S. Pavilion (OK, LA, PA and TX) could be helpful to the pending U.S. visit of Brazil's Minister of Energy Edilson Lobao to enhance his opportunities to learn to better access U.S. markets and suppliers.

¶6. Kallman Worldwide, a New Jersey firm, organized the U.S. Pavilion organizer and sponsored the commercial seminar. Petrobras and ANP presentations from the seminar are posted online at the FCS Rio de Janeiro website.

MARTINEZ